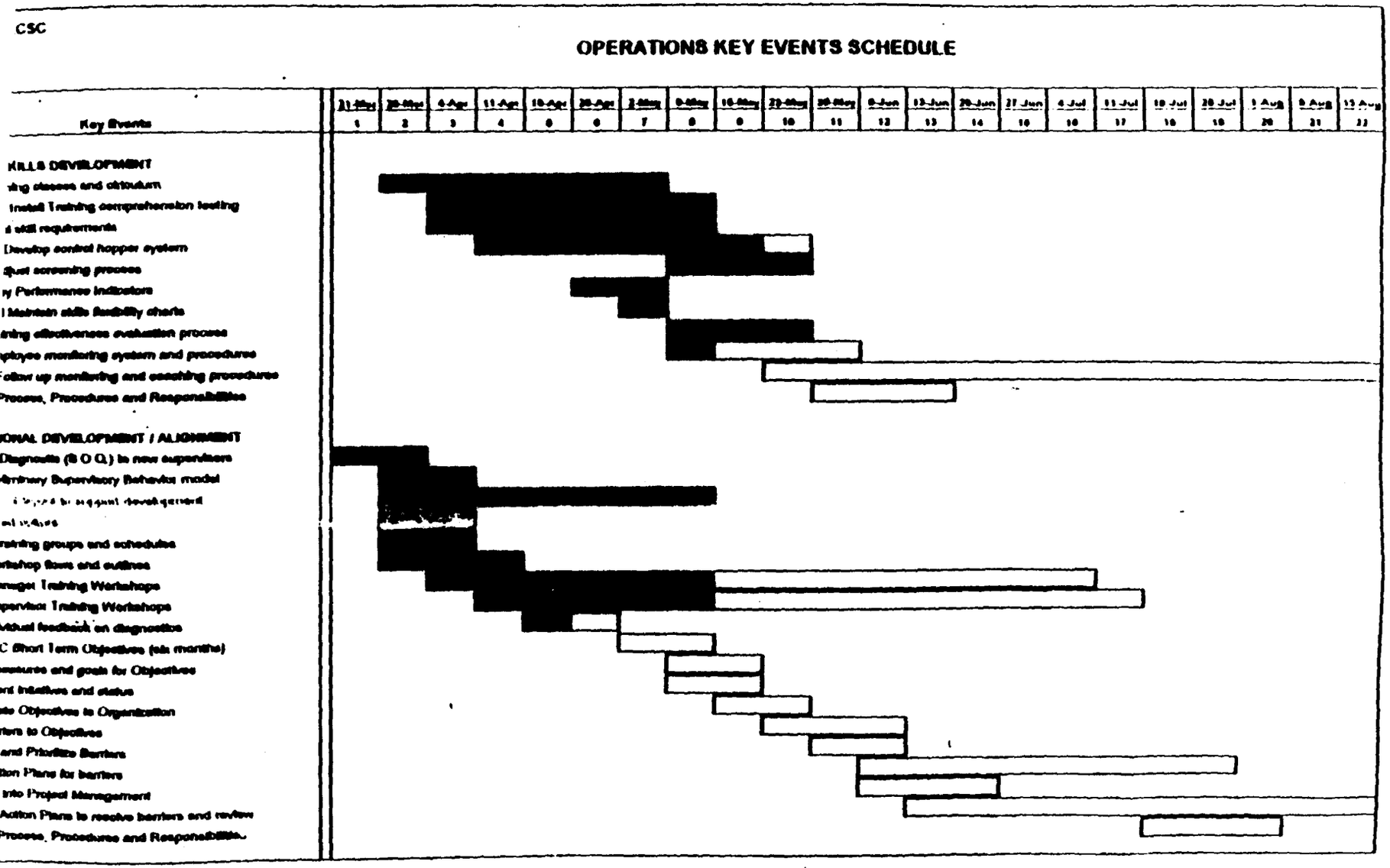
We expect to reduce most of these timetables and use the time for remedial training

Training questionnaire will be issued to the LCSC representatives who have been on the floor for 4 weeks since completing training The questionnaire is designed to provide identify the areas that need further support on the floor, and were not covered in training sessions Skills charts are being developed and maintained by the Managers to identify for each individual representative for remedial training and on the floor coaching

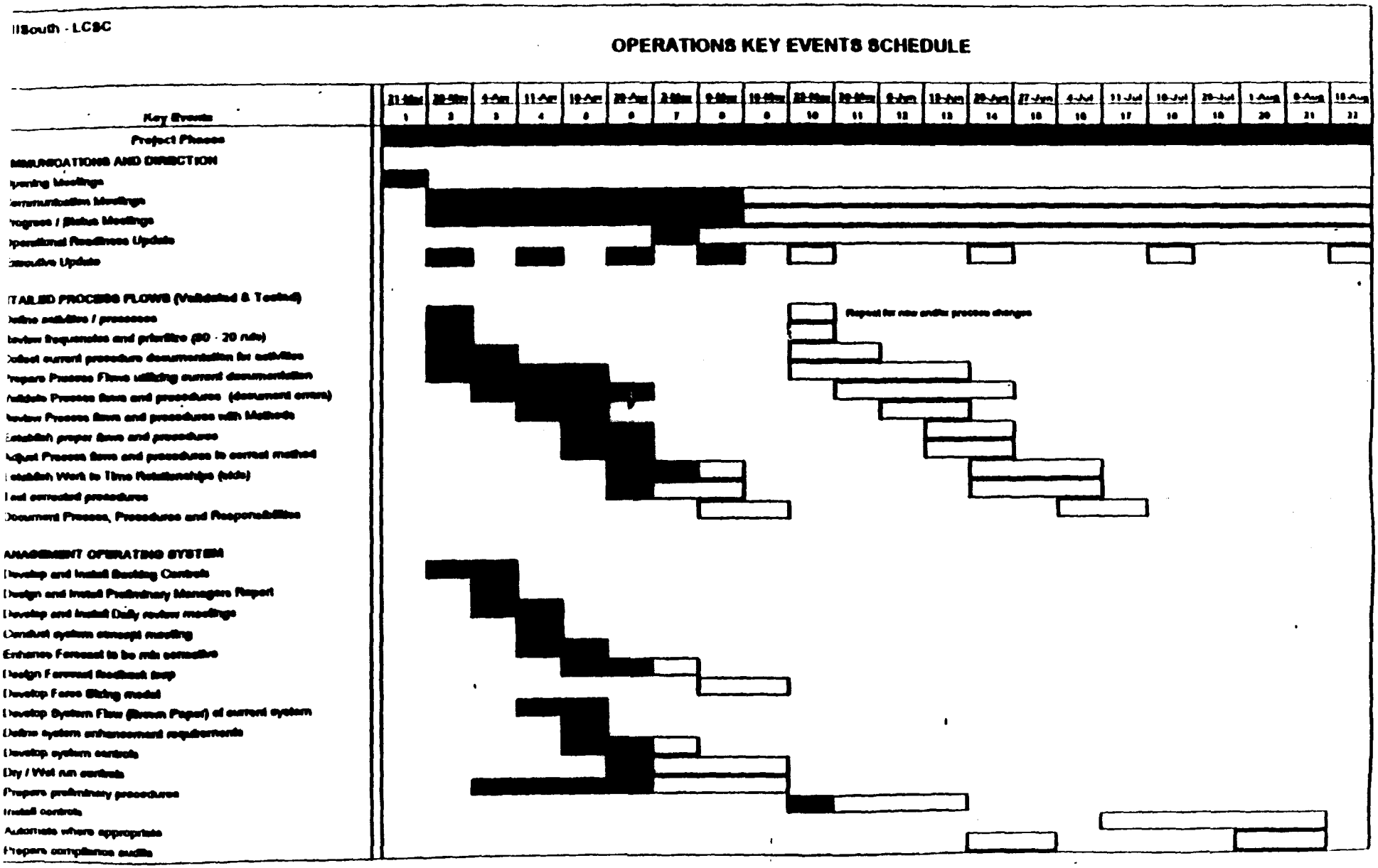
CSC

OPERATIONS KEY EVENTS SCHEDULE



IISouth - LCSC

OPERATIONS KEY EVENTS SCHEDULE



BELLSOUTH - LCSC
ATLANTA, GA

SUMMARY OF FINDINGS AND APPROACH

STATUS - PLEASE COMPLETED
IN PROGRESS
RED - IN PROGRESS

AREAS	FINDINGS	PROPOSALS	PHASES FOR DELIVERABLES QUICK INSTALLATIONS PHASE I	 INSTALLATION PHASE II	 ADJUST & FOLLOW-UP PHASE III
MGMT OPERATING SYSTEM (MOS)	ELEMENTS EXIST BUT REQUIRE UPGRADES	[illegible]	[redacted]	[redacted] FEEDBACK LOOP [redacted] CONTROLS	UPGRADE FORECAST FORMALIZE PROCEDURES
WORK PROCESS	NEEDS BETTER DEFINITION AND SIMPLER NEEDS TO INTERNALIZE UP GRADES	[illegible] AND AN INTERVENTION PLAN FOR PROCESS	[redacted]	[redacted] [redacted], TEST ALL FLOWS	UP GRADE TO NEWLY DEVELOPED PRODUCTS AND AUTOMATION
EMPLOYEE SKILLS	INCOMPLETE TRAINING DELV & CONTENT LACKS OJT SUPPORT AND EVALUATION	[illegible] [illegible]	[redacted]	[redacted] TESTING TO [redacted] FLOWS TO TRAINING	IMPLEMENT COACHING AND DEVELOPMENT PROCEDURES IDENTIFY AND SCHEDULE REMEDIAL TRAINING REQUIREMENTS
MANAGEMENT BEHAVIOR	LACKS STRUCTURED PARTICIPATION	[illegible] [illegible]	[redacted]	[redacted] AND COACHING [redacted] LAYOUT	FOCUS ON PERFORMANCE
[illegible]	[illegible]	[illegible]	[redacted]	[redacted] TO ENGAGE THE	FOLLOW UP ROUTINES TO ENGAGE THE
[illegible]			[redacted]	[redacted] PROBLEMS	OPERATING PROBLEMS
QUALITY / SERVICE	NO EFFECTIVE MEASURES	[illegible] DEVELOP REPORTS	[redacted]	[redacted] QUALITY & CYCLE REPORTING	CONTINUOUS IMPROVEMENT
LABOR UTILIZATION	DOCUMENTED IS [illegible] LABOR WASTED	[illegible] AND SUPERVISORY OPERATIONS	[redacted]	ESTABLISH WORK TO TIME RELATIONSHIPS (TIME'S) UTILIZE HOPPER TO IMPROVE CAPABILITIES	TIME RES AND PERFORMANCE FACTORS TO FORCE SIZING MODELS TEST MAX CAPABILITY THROUGH TEST ORDERS
GOALS AND STRATEGIES	LACKS SYNERGY AND INTEGRATED PLAN	[illegible] [illegible]	[redacted]	CLARIFY EXPECTATIONS & ACTION EXECUTE THE PLAN W FREQUENT REV	MONITOR ATTAINMENT TO GOALS/OBJ QUAL & SERV OBJECTIVES RESULTS

SUMMARY	QUICK INSTALLATIONS PHASE I	INSTALLATION PHASE II	ADJUST & FOLLOW-UP PHASE III
COMPLETE	88%	0%	0%
BEHIND SCHEDULE	6%	0%	0%
NOT STARTED	0%	19%	100%

5/7/97

EXECUTIVE UPDATE
FINAL REPORT
PHASE I - QUICK RESULTS

Date: May 9, 1997

To: Krista Tillman, Operations Vice President
BellSouth, Interconnection Services

From: James LaRue, Chief of Operations
DeWolff, Boberg and Associates

Project #: 9706

Project: LCSC (Local Carrier Service Center)

- This project involves the LCSCs located in Birmingham, Al. and Atlanta, Ga., along with the service support groups located at the BellSouth Center Atlanta.

- The project was authorized for a 22-week period - to start March 17, 1997 and to finish August 15, 1997. We have completed the seventh week and this is the final report for Phase I of the project. For more detail, look at project phases in this write-up and in the attached "Summary of Findings and Approach."

- The purpose of the project is to accelerate Operational Readiness. Four key deliverables of this project include:

    - Detailed process flows that are validated, tested and measured.
    - Improved Training process that delivers qualified candidates.
    - Define Key Performance Indicators.
    - Enhance and install Management Operating System to effectively manage the Key Performance Indicators.

- The major benefits of this effort are:

    - Improved operational efficiency.
    - Enhanced service & quality to CLECs.
    - Assured Operational Readiness to meet end-of-year CLEC forecasts.
    - Significant ongoing expense reduction.

I. PROJECT PHASES

A. **Quick Results** - Weeks 1 through 7 – Phase I of the project focused on gaining control of the work and establishing the correct management behaviors / disciplines.

B. **Main Installation** - Weeks 8 through 15 – Phase II of the project will focus on testing the capability of the group, and will tighten the management routines/systems for controlling performance. Increasing capability towards theoretical capacity is inclusive of working at the right quality and providing competitive service at the appropriate cost. BellSouth has set a target of 3.73 LSR's per employee hour (28 LSRs per day/employee). Theoretical capacity has been set using managers' estimates calculated to 4.27 LSR's per employee hour (32 per day/employee). Also, the theoretical capacity is based on the current volume mix and level of automation. The fundamental barrier to meet the target is twofold: the volume input, and the quality of the orders received from CLECs. Both barriers are not in BellSouth's control; to stay ahead of the requirements we will avoid testing the teams' capability through live orders. Therefore, what is needed is a means to control the work input and the work mix to test performance (quality, service, and productivity). "The Hopper" is a process that validates such capability by having a ready backlog of test orders to supplement the orders received. The concept of introducing test orders is being developed and installed to ensure operational capabilities are ahead of the requirements.

C. **Adjust and Follow Up** - Weeks 16 through 22 - Phase III of the project will set new targets (raising the bar), incorporate new products, perpetuate performance, and make adjustments as required.

II. PROJECT UPDATE

We are on the 8th week of the project, Phase I is complete. To date, the program is ahead of schedule. Phase I activities (7 weeks) included most "quick result" initiatives that began March 17, and have been completed by May 2nd. Currently, in total, 12 items are in progress, 15 items are completed, there are 5 items ahead of schedule in the implementation of Phase II, and 1 item is behind schedule. The item that is behind schedule is the formalizing of the overall plan. We have an action plan to complete this item in two weeks; we will complete the detail, formalize it on paper, and incorporate it into the total project plan. During Phase I, DB&A approached the implementation of quick results through individual strategies for each organization affected by the project. There are three areas that were concentrated on:

1. **Operations Organization** – With Bill Bolt we are developing the LCSC's management to gain control of the work by having the managers spend more time with each employee. This will enable them to get a handle on fundamental volumes, production numbers, backlogs, current employee skills, and department capability.

2. **Support Organization** - With Eddie English we are developing the support organizations to increase synergy with operations by getting support closer to the detail, and focusing on those activities that affect performance. Getting closer to the detail means to give greater emphasis to the hand-off from the support groups to the operating groups.

3. **Training Organization** - With Barbara Ayers we are developing the training organization by upgrading the delivery of the training material, developing/installing/testing the material covered in training, updating the content of the presentation, and dramatically shortening the learning cycle for UNE and more complex work.

III. **Operations Organization – Write up of key details:**

A. **Improved Control of the Work** - Steps have been taken to gain control of the work. Two of the most significant steps are:

1. Development of process flows, with proper methods to complete the work.

2. Installation of a backlog control to manage work.

All process flows have been detailed and are being tested. Backlog controls were designed and installed with the front-line supervision to focus on the fundamentals of running the business (i.e., backlog levels, distribution of work, rate of input, and rate of processing). As a result, the work has been redistributed for better balance of the workload, resulting in improved response time. The front-line managers have begun to recognize and act on differences in individual performance (quality, service, and rate of production) by following up every two hours with every employee. The data collected on the backlog control is summarized on the manager's report each day and should be reviewed with the director. A significant productivity improvement has been demonstrated in Birmingham. Atlanta will follow as volume picks up.

B. **Management Behavior / Disciplines** - Roles and Responsibilities were developed with Bill Bolt and his staff for every employee and management level. We identified and listed current supervisory activities that were interfering with performance enhancement. In summary, a manager should spend 6.5 hours per day (70%+ of his / her day) on the floor with the service representatives. During the analysis period, 12% of the managers' time was spent with their people. We estimate at this time that the managers are spending approximately 30% to 35% of their working hours with their team. The increase in supervisory time is primarily due to changing the focus of the manager from actually handling the work (clarifications, difficult orders, etc.) to coaching employees to complete the work themselves. This expands the managers' effectiveness. Currently, the remainder of the manager's day is spent on other activities such as administrative work or other duties required in a start- up operation. To help supervisory contact with employees new floor plans have been developed placing the service representatives in a "U shaped" layout (with the manager in the middle). Tiffany Ray has received the layout and is preparing for implementation.

IV. **Support Organization – Write up of key details:**

A. **Force Sizing / Forecast Feedback Loop** – DB&A along with Jim Freeman is responsible for developing a Force Sizing Model for the LCSC. The model is activity-based allowing for the determination of the resources required to complete the work. The current version of the model uses management estimates, which later will be standardized througn observation. The variables associated with the Force Sizing Model are: volumes (forecasted and actual) by product, level of mechanization, reasonable expectations, and current productivity levels. The ability to model different scenarios has been built into the algorithm.

For the short term, the focus is placed on developing the feedback loop rather than completing the development of the forecast. Actual LSR volume to forecast is running about 10-20%; but the resources BellSouth has applied are on target to forecast. Testing is required to keep the capability ahead of the actual volumes coming into the centers. Such capability is being tested by work group and by product type with the "Hopper" concept.

B. **Project Schedule** – The goal is to insure operational readiness with the required processes, systems, organization, measurements, and skilled personnel to handle/process orders competitively within established service levels. The action items required for success have been defined for/by the support group managers. The strategy for accelerating the implementation of action item initiatives is to get support closer to the detail of the operation. A staff meeting to review the status of the project schedule has been implemented. What is needed to bring this item up to schedule is compliment the detail and to formalize the plan.

C. **Capability Issues** - LCSC has hired the resources to handle the volume forecasted to enter the centers. However, the resource capacity is largely untested since the volume/mix has not materialized. One of the deliverables in the project is to address the testing capability issue ahead of the actual requirements. The "Hopper" will test the capacity of the center by introducing artificial work volume into the center. Progressively testing the theoretical capacity for an expected work mix will generate real available capability for each team. Currently, Martha Jackson has been assigned as the driver for this project. A method to implement this initiative has been designed and is currently under testing. The action items have gained momentum and we are on schedule to move from a testing mode to implementation.

V. **Training Organization – Write up of key details:**

A. **Selection & Screening Process** – Some of the fundamental skills required from a potential service representative candidate include: visual perception of names/numbers/acronyms, typing, and reading. The current screening process requires potential service representatives to take the GQT (General Qualifications Test). The BST Job Title/Test Matrix requires that the CS-TAP is taken by all candidates, along with keyboard tests (DEST or CTT). What needs correction is the variance in the skill level of the candidates while in training. The training can be more effective with more homogeneous groups. Another part of the skill variance results from some tests being optional. And yet the variance can be improved through better planning.

There is a plan in place to remedy variances in the skill level of the candidates. The training sequence of the different types of products should be based on the individuals previous experience. Further interviews will be conducted to select candidates for UNE and complex work at the beginning of the training cycle to properly group candidates with similar strengths. Along this vein, skills charts are being developed and maintained by the Managers to identify each individual representative for remedial training and on the floor coaching.

B. Content of Course Material and Testing – We attended the entire single line residential / business training sessions. During that course we identified improvement opportunities that should be taken advantage of in the delivery, testing, modular training, sequencing, and the actual training content. The current residential/business single line training took 4.4 weeks to complete. We would like to reduce this training cycle to 3.0 weeks. Learning cycles will be accelerated due to upgrades in material content and sequencing of modules. We expect to reduce most of the training timetables, and use some of the time for testing and remedial training. The training questionnaire is designed to identify the areas that need further support from the training organization and/or management. We expect the training cycle for facility based orders to be reduced to one fifth of the current cycle.

SOUTH - LCSC
NTA, GA

STATUS GREEN - COMPLETED
- IN PROGRESS
RED - IN PROGRESS

SUMMARY OF FINDINGS AND APPROACH

Updated: May 2, 1997 Week 7 of 22

AREAS	FINDINGS	PROPOSALS	PHASES FOR DELIVERABLES: QUICK RESULTS PHASE I	MAIN INSTALLATION PHASE II	ADJUST & FOLLOW-UP PHASE III
IT. OPERATING	LEMENTS EXITS, BUT REQUIRES	ESIGN AND INSTALL ELEMENTS	[redacted]	INSTALL FORECAST FEEDBACK LOOP	UPGRADE FORECAST
TEM (MOS)	JPGRADES			INSTALL PERFORMANCE CONTROLS	FORMALIZE PROCEDURES
UK PROCESS	EEDS BETTER DEFINITION, AND SIMPLER	NSTALL PREDICTABILITY OF EXECUTION		[redacted]	UP GRADE TO NEWLY DEVELOPED
	EEDS TO INTERNALIZE UP-GRADES	AND KNOW HOW TO KEEP IT PROCESS		ESIGN, VALIDATE, TEST ALL FLOWS	PRODUCTS AND AUTOMATION
PLOYEE SKILLS	NCOMPLETE TRAINING - DELIVERY & CONTENT	L THE GAPS IN TRAINING		CORRELATE COMPREHENSION TESTING TO FLOOR PERFORMANCE	MPLEMENT COACHING AND DEVELOPMENT PROCEDURES
	ACKS ON THE FLOOR SUPPORT AND VALUATION	LIVER FUNCTIONAL ROLES		NCORPORATE FLOWS IN TRAINING	DENTIFY AND SCHEDULE REVISIONAL TRAINING REQUIREMENTS
NAGEMENT	ACKS STRUCTURED PARTICIPATION	EVELOP BEHAVIOR MODEL		EVELOP MONITORING AND COACHING PROCEDURES	FOCUS ON PERFORMANCE
AVIOR		VALIDATE AND INSTALL		MPLEMENT LAYOUT	
NAGEMENT	ASSIVE IN ASSIGNMENT / FOLLOW UP	ROACTIVE ENGAGEMENT		OLLOW UP ROUTINES TO ENGAGE THE	FOLLOW UP ROUTINES TO ENGAGE THE
ITUDES			ONE-ON-ONE DIAGNOSTIC FEEDBACK	OPERATING PROBLEMS	OPERATING PROBLEMS
ALITY / SERVICE	NO EFFECTIVE MEASURES	EVELOP TESTING PROCESS		MPLEMENT HOPPER	CONTINUOUS IMPROVEMENT
		EVELOP REPORTS		UALITY & CYCLE REPORTING	
BOR UTILIZATION	OCUMENTED 15 - 39% LABOR WASTED	EDUCE LOST TIME THROUGH TRAINING		STABLISH WORK TO TIME RELATIONSHIPS (TIE'S)	TIE RE'S AND PERFORMANCE FACTORS TO FORCE SIZING MODELS
		ND SUPERVISORY INTERVENTION		UTILIZE HOPPER TO IMPROVE CAPABILITIES	TEST MAXIMUM CAPABILITY THROUGH HOPPER ORDERS.
DALS AND	ACKS SYNERGY AND INTEGRATED	EFINE THE OBJECTIVES AND MEASURES		LARIFY EXPECTATIONS & ACTION	MONITOR ATTAINMENT TO GAINS PROD.
TRATEGIES	LAN	MPROVE SYNERGY SUPPORT & PERATIONS		XECUTE THE PLAN, WITH FREQUENT EVIEW	QUALITY AND SERVICE OBJECTIVES RESULTS

SUMMARY			
COMPLETE	88%	6%	0%
BEHIND SCHEDULE	6%	0%	0%
NOT STARTED	0%	25%	100%

Date Printed: 5/19/97

EXECUTIVE UPDATE

PHASE II – MAIN INSTALLATIONS

Date: July 8, 1997

To: Krista Tillman, Operations Vice President
BellSouth, Interconnection Services

From: James LaRue, Chief of Operations
DeWolff, Boberg and Associates

Project #: 9706

Project: LCSC (Local Carrier Service Center)

- This project involves the LCSCs located in Birmingham, AL and Atlanta, GA, along with the service support groups located at the BellSouth Center Atlanta.

- The project was authorized for a 22-week period - to start March 17, 1997 and to finish August 15, 1997. This is the status report for the end of Phase II of the project.

- The purpose of this project is to accelerate Operational Readiness. Four key deliverables of this project include:

  - Detailed process flows that are validated, tested and measured.
  - Improved Training process that delivers qualified candidates.
  - Define Key Performance Indicators.
  - Enhance and install Management Operating System to effectively manage the Key Performance Indicators.

- The major benefits of this effort are:

  - Improved operational efficiency.
  - Enhanced service & quality to CLECs.
  - Assured Operational Readiness to meet end-of-year CLECs forecasts.
  - Significant ongoing expense reduction.

I. PROJECT PHASES

A. **Quick Results** - Weeks 1 through 7 – Phase I of the project focused on gaining control of the work and establishing the correct management behaviors / disciplines.

B. **Main Installation** - Weeks 8 through 15 – Phase II of the project focused on testing the capability of the group, and tightening the management routines/systems for controlling performance. Increasing capability towards theoretical capacity is inclusive of working at the right quality and providing competitive service at the appropriate cost. Theoretical capacity has been set using managers actual observations calculated to 3.98 LSRs per employee hour (30 per day/employee). Note; the theoretical capacity is based on the current volume mix and level of automation. "The Hopper" is a process that validates the center's capability by having a ready backlog of test orders to supplement the orders received. The concept of introducing test orders was developed and successfully installed and is currently being used to ensure operational capabilities are ahead of the customer requirements. (see current results and capabilities)

C. **Adjust and Follow Up** - Weeks 16 through 22 - Phase III of the project will set new targets (raising the bar), incorporate new products, perpetuate performance, and make adjustments as required. Also, we expect to continue to make progress in alleviating fundamental barriers that are not in BellSouth's control. The fundamental barriers are the lack of predictability of work volume input, and the lack of completeness (quality) in the orders received from CLECs. Therefore, the continued use of The Hopper will be needed until better forecast from the CLECs is available. Also, a process needs to be installed to provide feedback to the CLECs about their level of incomplete/incorrect orders. LSRs with incomplete or erroneous information make it necessary to request for clarification thus delaying the processing time and increasing the amount of rework. For example the percentage of AT&T and MCI LSRs needing clarification the week of June 25th was 64.6%. The average number of times these LSRs were sent back in order to complete the processing was 1.7. This high level of clarifications suggest improvement is required in the CLEC's preperation of the LSR, (Local Service Request). The amount of time that is required to process an order including clarification is more than twice what it should take at standard without the rework.

II. PROJECT UPDATE

We completed the 15th week of the project on June 27th. Phase II is now complete. To date, the program is ahead of schedule both against schedule and in results. All of the scheduled items are completed (32 Key items). The remaining 16 activities in Phase III are in progress and expected to be completed on or ahead of schedule. For more detail, look at project phases in this write-up and in the attached "Summary of Findings and Approach."

There are three areas of concentration:

1. **Operations Organization** – Along with Bill Bolt, Tom Moran, and Bill Thrasher we are developing the LCSC's management to increase the control of the work by having the managers internalize an employee follow-up routine. This will enable the managers to shift work where required, identify operating opportunities, maintain volumes, production numbers, backlog status, current employee skills, quality and service levels, and department capability.

2. **Support Organization** – Along with Eddie English and Diane Chang we are developing the support organizations to continue to increase synergy with operations by aligning the organizations under singular measurable goals.

3. **Training and Development** - We are developing a new training organization that is responsible for the employee's continuous development process. There are shared responsibilities between the support and operating organizations for the management of the process. However, key employees responsible for continuous development will report directly to the heads of LCSC's operations and support. This enhancement in training is geared to further accelerate the preparation and delivery of training material, developing/installing/testing material covered in training, updating the content of the presentation as enhancements to products are made, and dramatically shortening the total learning cycle for all employees.

II. Operations Organization – Write up of key details:

A. Improved Control of the Work

Phase I, (Quick Results)

- Process Flows were developed to define the proper methods to process work and Backlog Controls were installed to understand and control work volume levels.

Phase II, (Main Installation)

- Process flows have been validated and tested to ensure quality and accurate processing. In addition, work instructions have been prepared which provide step by step instructions for order processing.
- Backlog Controls were enhanced to measure Service, Quality and Cost. Cost factor is measured as LSRs / Hour. Quality is measured by two methods: Percent First Time Quality and Service Orders pending on the Questionable Activity Report. Service indicators are measured by the gross cycle time of an LSR and the speed in which Service representatives answer the phone. A Director's Report has been installed that summarizes the key operating indices which are reviewed daily by the Center Directors.
- The Order Tracking System has been enhanced to provide greater definition to the types of LSRs being processed and the reasons that LSRs are going to clarification. The Order Tracking System is also providing data on processing duration and clarification duration.

B. Management Behavior / Disciplines

Phase I, (Quick Results)

- Management Roles and Responsibilities were defined and work area layouts were designed.

Phase II, (Main Installation)

- The percent of time that the Managers spend with the team members continues to increase. The supervisory time has increased from 12% of the manager's day, measured during the Analysis; to 30% at the end of Phase I, to about 65% currently. This increased supervision has improved first time quality and service demonstrated by a reduction in escalation's by as much as ½ at the AVP level.
- A Continuous Development Process has been developed to highlight and address employee training and/or skill deficiencies.
- The new floor layouts are implemented into the 14th floor, in Birmingham, where the LCSC operations will move August 17th. In Atlanta, a new work area layout has been implemented for some employees, the remainder are awaiting a decision about a possible relocation of the operation.

C. Quality, Service and Labor Utilization

In Phase I, (Quick Results)

- The Hopper was developed, preliminary work estimates were developed and an approach to measure quality and service was established.

Phase II, (Main Installation)

- The Hopper has been installed and is being used as a work simulation to evaluate Service Representative performance (Quality and Productivity) capabilities, and as a supplement to the workload to enable the managers to meet performance expectations.
- Work to Time Relationships (RE's) have been established for each activity that the LCSC currently performs.
- Quality measures have been established and will be measured by Service Representative. There will be two quality measures, First Time Quality and Orders Pending on the Questionable Activity Report. First Time Quality will measure the ability of the Service Representative to process an order, error free. Orders Pending on the Questionable Activity Report will ensure that orders are cleared on a timely basis when and if they have errors. Reformatting of the Questionable Activity Report is complete.
- Service measures have been established: (See Service Indicators Chart)
  - Order processing duration is measured in hours from the point of receipt to firm order commitment time (FOC). In May average duration was 56.9 hours. First week of July average duration 30.9 hours, a 46% improvement.
  - Percent of LSRs processed within 48 hours in May was 50%, the first week of July was 76%, a 52% improvement.
  - Percent of calls answered within 16 seconds is about 90%. Trend from May through June has 5% improvement trend.
  - Percent of calls abandoned is about 17%. Trend from May through June has a 23% improvement trend.
- The Service indicators demonstrate a significant improvement and are currently meeting reasonable expectations. In Phase III new targets will be established.
- Productivity has improved 74% since first two weeks of Project, as measured in LSRs processed per hour. (See Three Part Graph - LSRs Per Hour)
- When measured by SOCS orders generated, the Productivity improvement is 94%. (See Three Part Graph - SOCS Orders Per Hour)
- From March 23rd through July 6th, SOCS orders generated has increased at a rate of 12% per week. (See SOCS Orders Generated Graph)

IV Support Organization

A. Force Sizing / Forecast Feedback Loop

In Phase I, (Quick Results)

- An activity based force-sizing model was developed.

Phase II, (Main Installation)

- Defined and began tracking key forecast indicators by Resale, UNE and Complex.
- Changes made to Order Tracking System to provide more definition to types of LSRs being processed.

B. Project Schedule

In Phase I, (Quick Results)

- Defined what a Project Schedule should be, developed format and defined Key events.

Phase II, (Main Installation)

- Project Schedule developed with appropriate level of detailed activities to focus the actions of the support organization and better insure they are working on the appropriate items.
- Schedule dates have been developed to better communicate expectations and priorities.
- Structured weekly staff meetings have been installed with status reports and status to schedule. It also gives them the ability to get assistance on items that may be in danger of missing scheduled due dates.

C. Capabilities

In Phase I, (Quick Results)

- The Hopper concept was developed to enable artificial work to be input in order to test capabilities.

Phase II, (Main Installation)

- The Hopper has been installed into the LCSC operations and has provided the ability to not only tests the departmental theoretical capabilities but also the individual Service Representative capabilities.
- Current staffing and demonstrated performance place the LCSC capabilities at 2065 LSRs per day. In the month of June, 23% of the work force was either in training, absent or on vacation, **therefore the true tested capability of 1590 LSRs per day is more than twice the current level of work sent in by the CLECs**. (See Capacity Graph)

- The current level of processing stands at 742 per day (June Average). In June, 10% of the LSRs processed were test (Hopper) orders.

V. Training and Development

A. Selection & Screening Process

In Phase I, (Quick Results)

- Definition of skill requirements was defined and appropriate testing determined and installed to screen for these entry-level skills.

Phase II, (Main Installation)

- The expectations of a functional Service Representative were defined. A site visit for all new LCSC candidates will include a review of performance expectations (Quality and Efficiency).

B. Content of course material and testing

In Phase I, (Quick Results)

- Developed comprehension tests to validate learning process and instituted some changes in the delivery and content of course material.

Phase II, (Main Installation)

- Developed work simulation evaluation using the Hopper to appraise Service Representative's capabilities (Quality and Efficiency). Creating a Modular Training agenda for Single Line Resale (DOE) that will reduce training time from six weeks to two weeks. For a few who do not pass the work simulation, there will be a follow up instruction for three days. All the modules have comprehension testing. The comprehension testing will be administered prior to the training and after the module has been delivered.
- Modular Training Agendas need to be prepared for the other order types next.
- LEO training module format, content, and delivery has taken place. LEO Module developed to increase capacity of LCSC to handle AT&T volume received through LEO. From beginning to end, the development of the module through the delivery of all Atlanta personnel took three weeks.
- Results of LEO training in Atlanta:
  - Prior to training in late May, the Work in Process bucket contained 217 PONS. After training on July 3rd, the Work in Process bucket contained 46 PONS, only 4 of which required management attention.
  - Percent of AT&T LSRs processed within 24 hours improved 7%, (89% to 95%). (See AT&T FOC's under 24 hours chart)
  - LSRs per hour improved 89%. (0.90 to 1.70 LSRs per Hour). (See AT&T LSRs per hour chart)

PHASE III (Adjust and Follow up)

- All Phase III items are in process.
- Phase III Key Events:
  - Formalize system procedures developed and installed.
  - Implement Service Representative Continuous Development Process
  - Develop CLEC evaluation method.
  - Further increase LCSC capabilities.
  - Develop compliance audits.

BELLSOUTH - LCS
ATLANTA, GA

STATUS GREEN - CO MPLE
- IN P OGRESS
RED - IN PI OGRESS

SUMMARY OF FINDINGS AND APPROACH

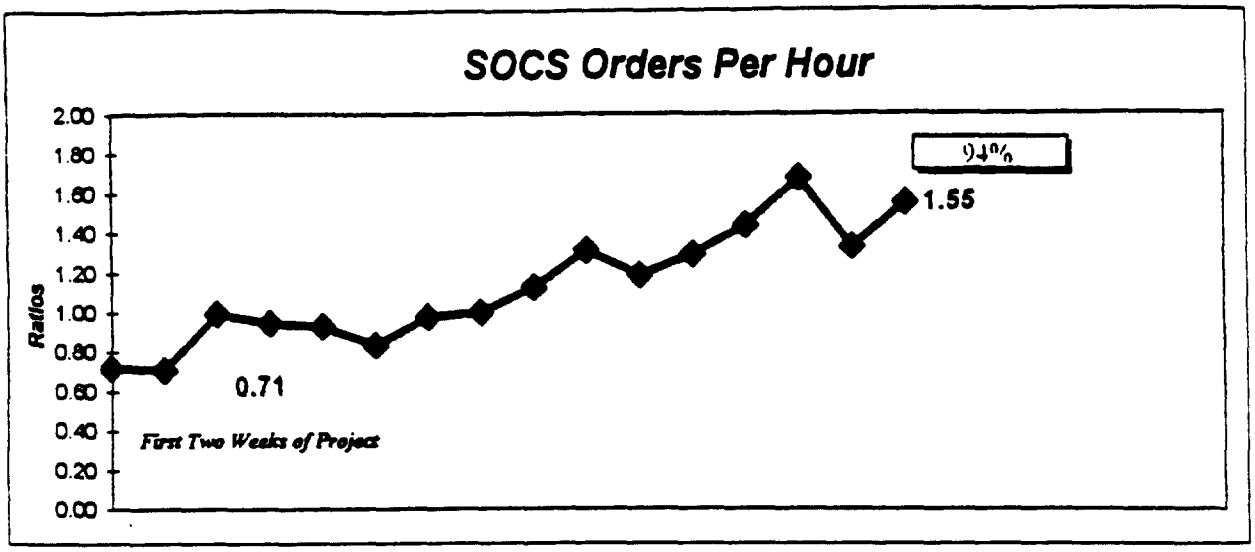
Date Updated: June 20, 1997 Week 14 of 22

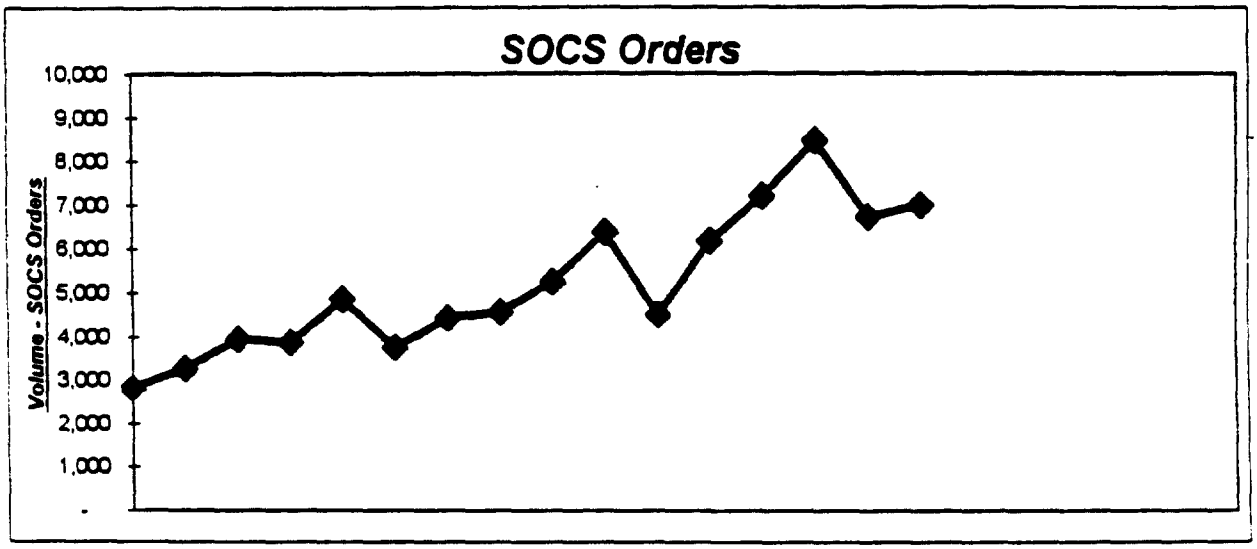
AREAS	FINDINGS	PROPOSALS	PHASES FOR DELIVERABLES: QUICK RESULTS PHASE I	MAIN INSTALLATION PHASE II	ADJUST & FOLLOW-UP PHASE III
MGMT. OPERATING SYSTEM (MOS)	ELEMENTS EXITS, BUT REQUIRES UPGRADES	N SIGN AND INSTALL ELEMENTS			UPGRADE FORECAST FORMALIZE PROCEDURES
WORK PROCESS	NEEDS BETTER DEFINITION, AND SIMPLER NEEDS TO INTERNALIZE UP-GRADES	INSTALL PREDICTABILITY OF EXECUTION ND KNOW HOW TO REPEAT PROCESS			ALIGN PROCESS FLOWS AND PROCEDURES NSTALL PROCESS WITH LCSC MGMT
EMPLOYEE SKILLS	INCOMPLETE TRAINING - DELIVERY & CONTENT LACKS ON THE FLOOR SUPPORT AND EVALUATION	LL THE GAPS IN TRAINING ELIVER FUNCTIONAL REPS			MPLEMENT COACHING AND DEVELOPMENT PROCEDURES DENTIFY AND SCHEDULE REMEDIAL TRAINING REQUIREMENTS
MANAGEMENT BEHAVIOR	LACKS STRUCTURED PARTICIPATION	EVELOP BEHAVIOR MODEL VALUATE AND INSTALL			NSTALL CONTINUOUS DEVELOPMENT PROGRAM OCUS ON PERFORMANCE
MANAGEMENT ATTITUDES	PASSIVE IN ASSIGNMENT / FOLLOW UP	ROACTIVE ENGAGEMENT			NSTALL WEEKLY TEAM MEETINGS MPLOYEE INVOLVMENT IN PROBLEM OLVING
QUALITY / SERVICE	NO EFFECTIVE MEASURES	EVELOP TESTING PROCESS EVELOP REPORTS			MPROVE FIRST TIME QUALITY TO 85% EVELOP CLEC EVALUATION METHOD
LABOR UTILIZATION	DOCUMENTED 15 - 39% LABOR WASTED	EDUCE LOST TIME THROUGH TRAINING ND SUPERVISORY INTERVENTION			E RE'S AND PERFORMANCE FACTORS TO ORCE SIZING MODELS EST MAXIMUM CAPABILITY THROUGH OPPER ORDERS.
GOALS AND STRATEGIES	LACKS SYNERGY AND INTEGRATED PLAN	EFINE THE OBJECTIVES AND MEASURES MPROVE SYNERGY SUPPORT & PERATIONS			ONITOR ATTAINMENT TO GAINS IN ERFORMANCE. ONITOR QUALITY AND SERVICE OBJECTIVES RESULTS

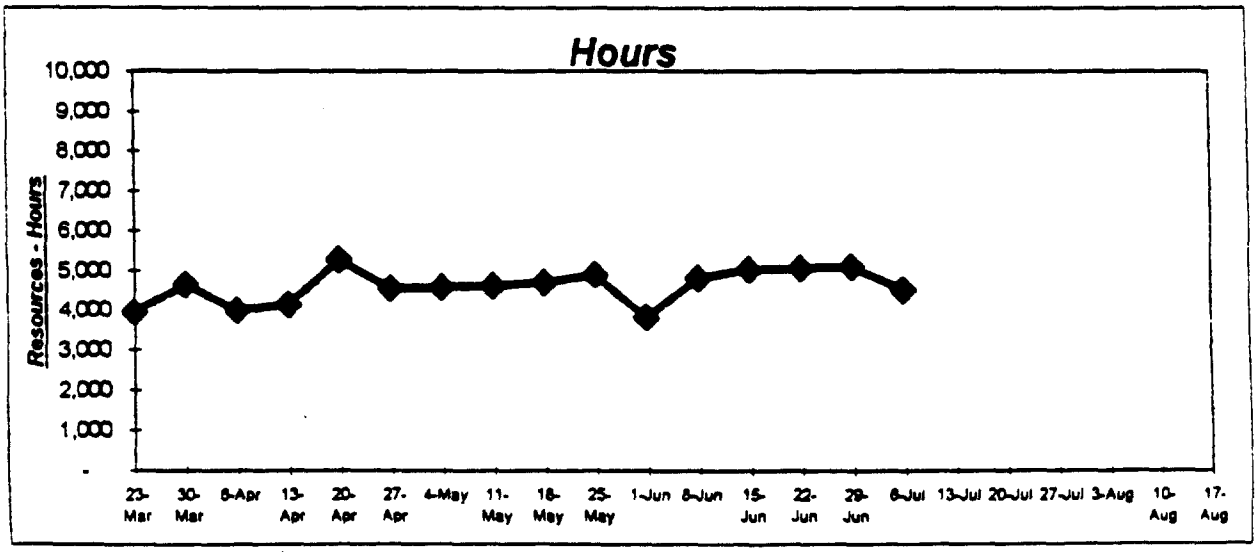
SUMMARY			
COMPLETE	100%	100%	0%
BEHIND SCHEDULE	0%	0%	0%
NOT STARTED	0%	0%	0%

BellSouth
LCSC

Performance Trends





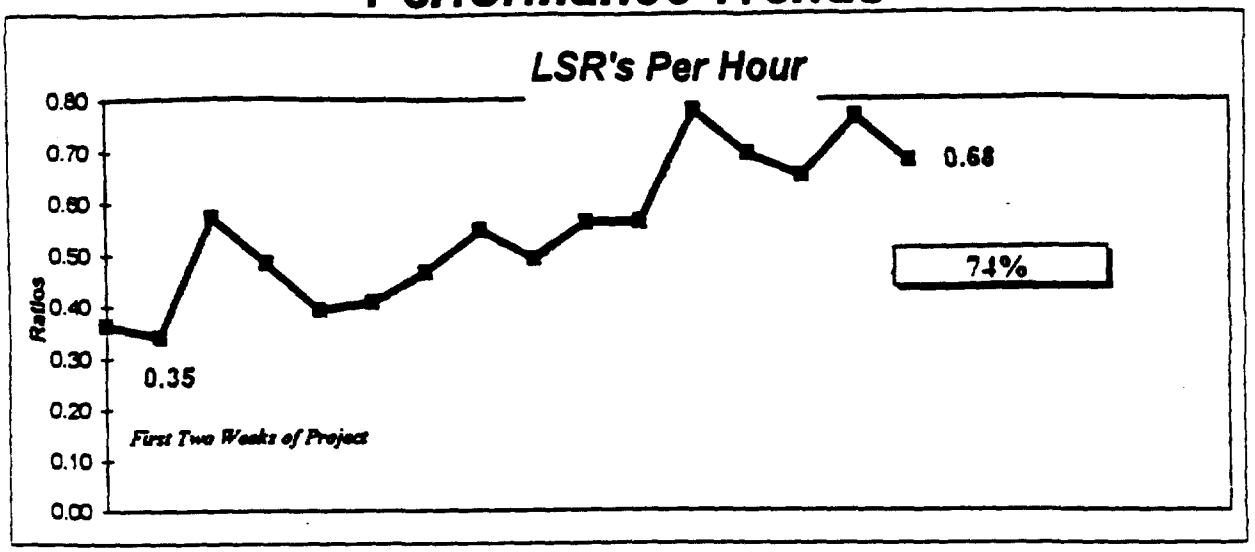


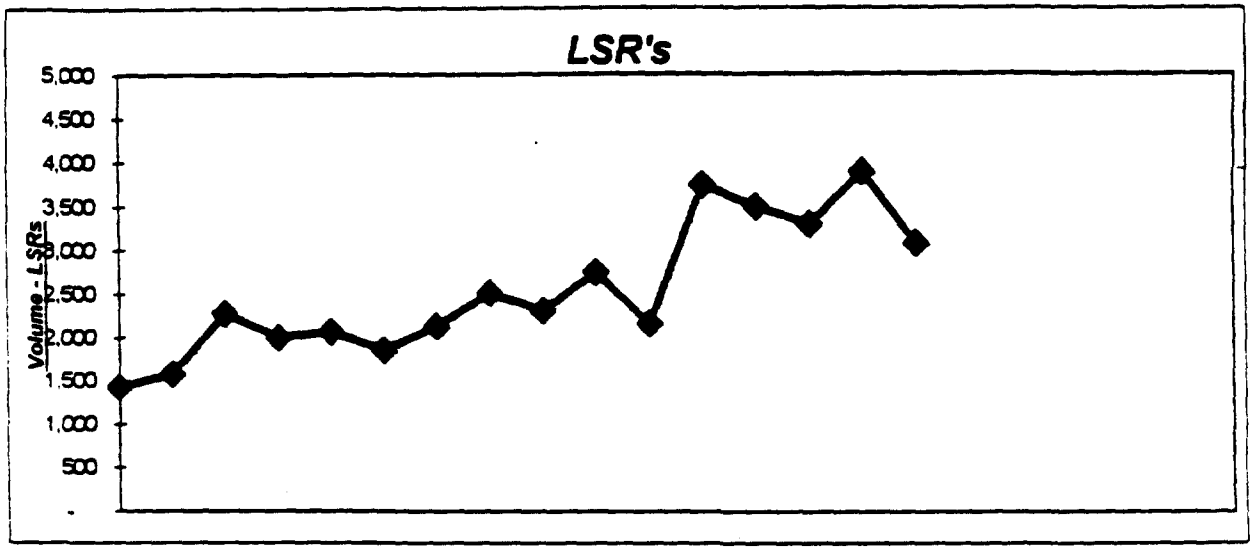
Source:
LSR's - LON Report from Ron Moore
Hours - MTR Report from James Saville

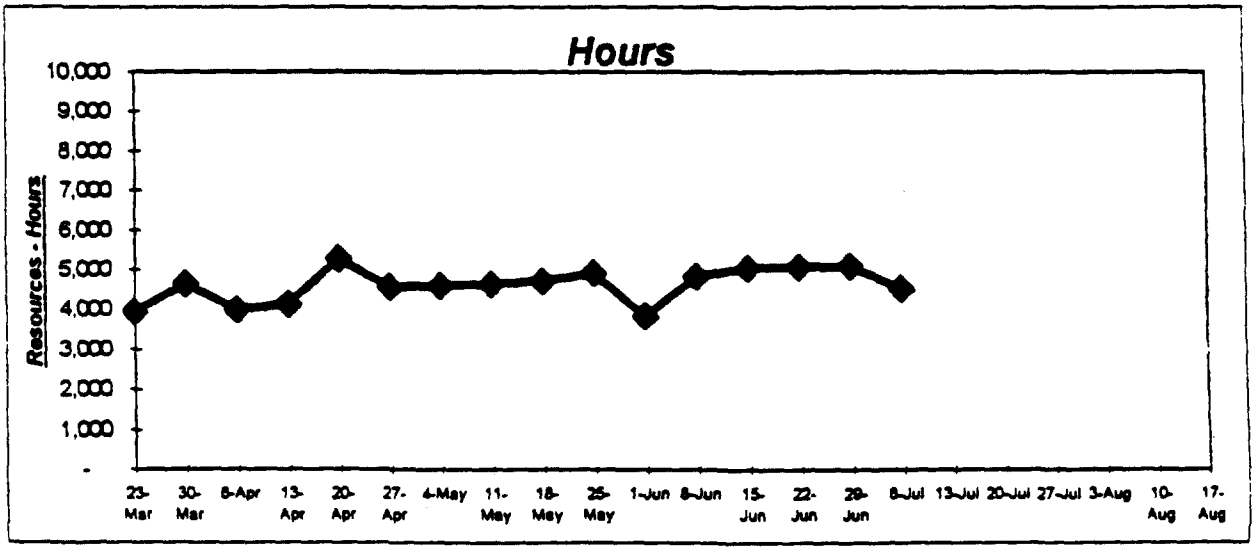
Perfeval

BellSouth
LCSC

Performance Trends







Source:
LSR's - LON Report from Ron Moore
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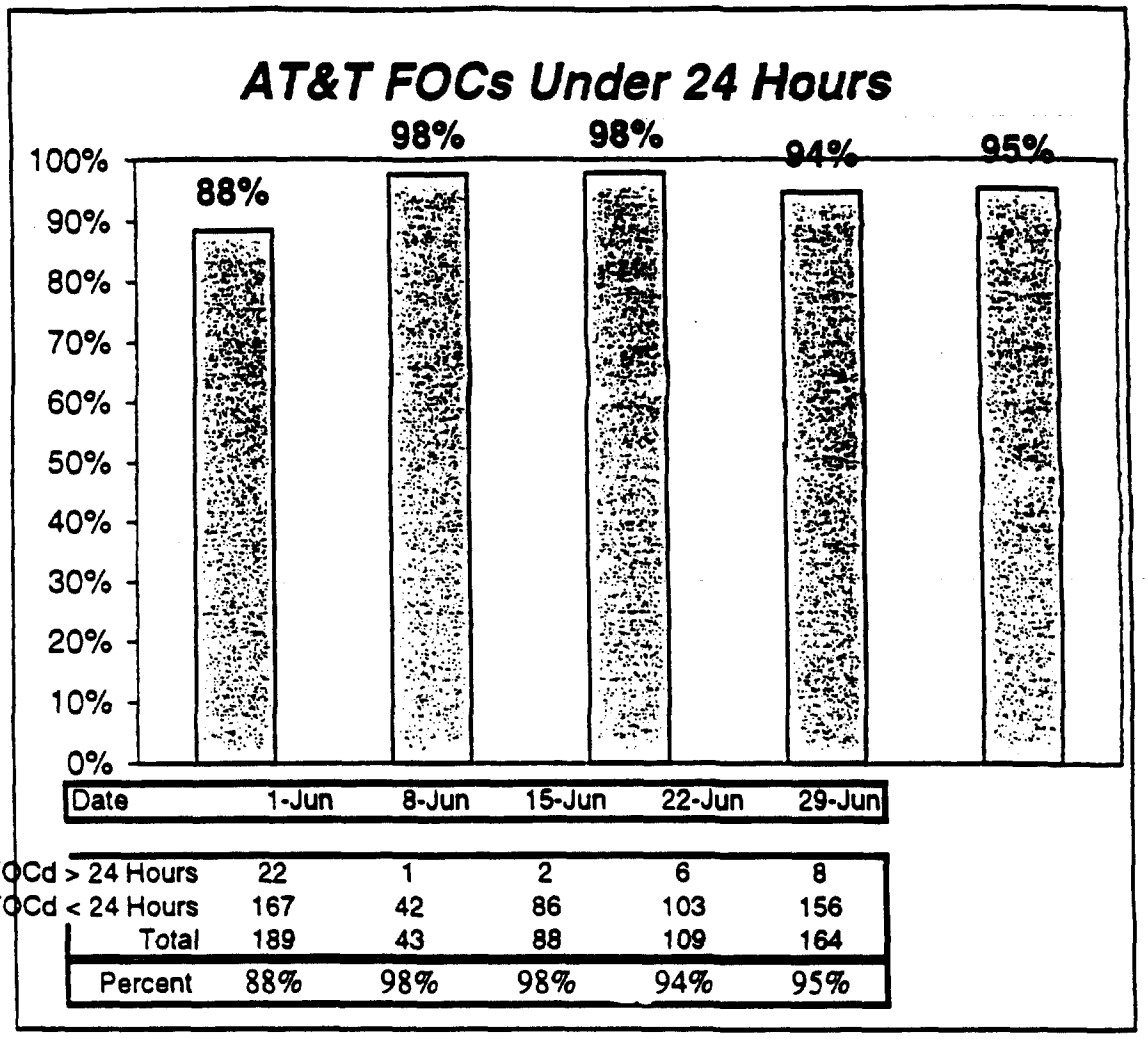
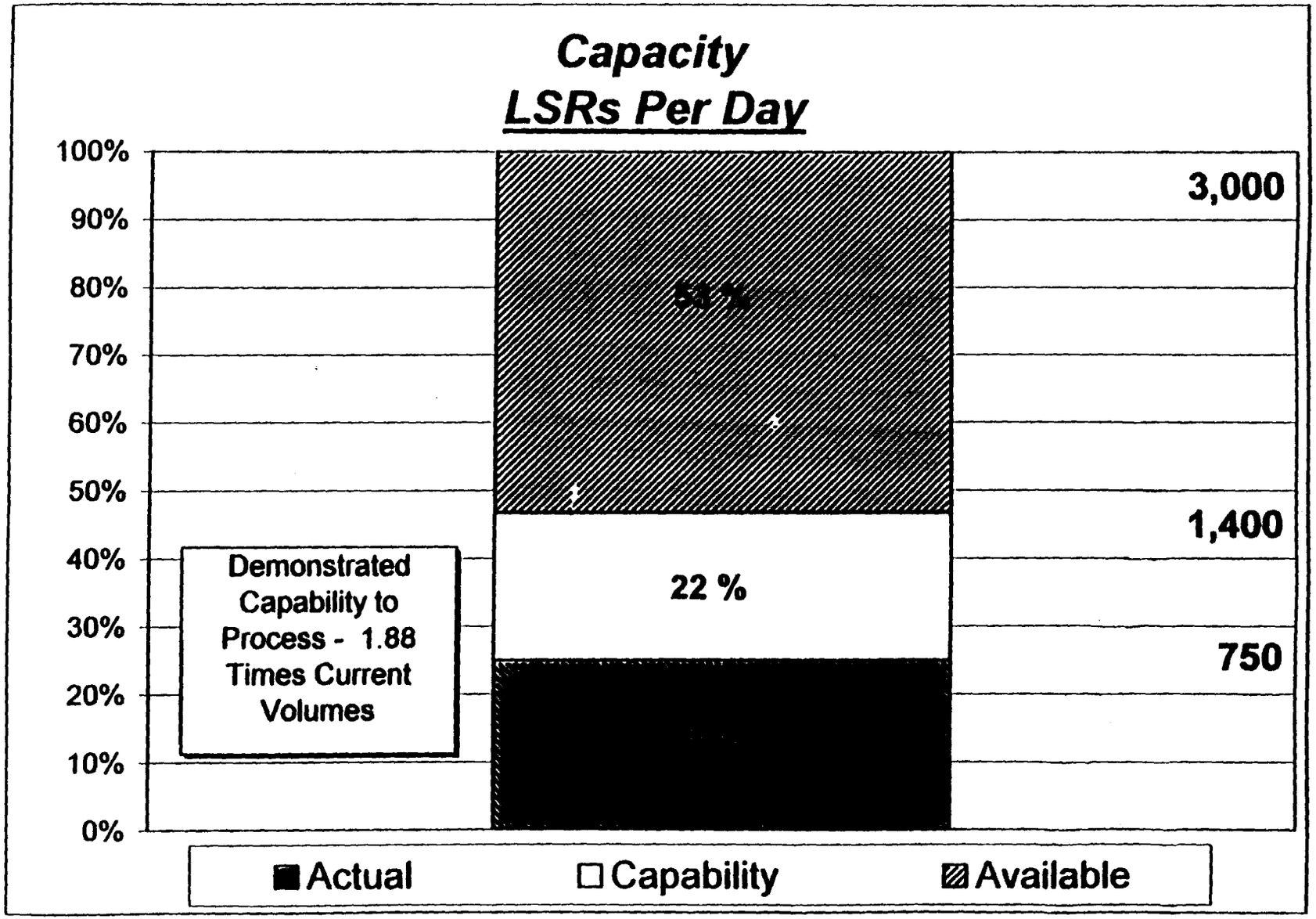
Perfeval



Date	1-Jun	8-Jun	15-Jun	22-Jun	29-Jun
FOCd > 24 Hours	22	1	2	6	8
FOCd < 24 Hours	167	42	86	103	156
Total	189	43	88	109	164
Percent	88%	98%	98%	94%	95%


Capacity
LSRs Per Day
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
3,000
1,400
750
22 %
Demonstrated Capability to Process - 1.88 Times Current Volumes
Actual
Capability
Available